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SUBJECT: EGYPT'S ECONOMY: MAY 18 WEEKLY PRESS ROUND-UP

1. (U) The following are notable economic news stories that appeared over the past week in the Egyptian press:

Bechtel Loses Nuclear Tender

2. (U) The Egyptian Nuclear Power Plants Authority (NPPA) has officially informed the U.S. Bechtel Corporation it is rejecting Bechtel's offer to provide the consultancy engineering expertise for Egypt's nuclear plants after a four month negotiation. Reports indicated that Bechtel's offer was rejected because the offer violated the terms of the tender document and specifications. NPPA started negotiations with the Australian firm Worley Parsons, which bid together with three Egyptian consulting firms. Worley Parsons was ranked second in the Egyptian government tender Egypt to select a multinational company to manage the construction of Egypt's first nuclear power plant. A contract is expected to be signed within two weeks. The value of the contract is approximately US\$180 million for the first and second phases of the project. (Amal, Al Alam Al Yom, Al Ahram, 5/12/2009, 5/14/2009)

Russian Wheat Investigated

3. (U) Counselor Abdel Maguid, Egypt's state prosecutor, ordered the seizure and inspection of all imported Russian wheat after heated discussions in the Egyptian parliament suggesting that the wheat is not suitable for human consumption. The prosecution is a response to a complaint that a quantity of the imported wheat is spoiled and entered the port without the required quality control inspection. Minister of Agriculture Amin Abaza highlighted that there are Egyptian standards for imported wheat and claimed that the government is dedicated to guaranteeing the health of Egyptian citizens. Fears have been raised that tainted shipments were sent to Upper Egypt, and many citizens are complaining about the quality of subsidized bread and believe it may have been made from the contaminated wheat. (Al Alam Al Yom, Al Masry Al Yom, Al Wafd, Al Dostour, 5/13/2009, 5/14/2009)

Illiteracy

4. (U) Raafat Radwan, head of the General Authority for Adult Literacy, stated that Egypt's illiteracy rate in 2006 was 29%, or about 17 million people. This is an improvement compared to the illiteracy rate in 1996, which was 39%. (El Shorouk, 5/13/2009)

Tourism Promotion Strategy

5. (U) Prime Minister Ahmed Nazif chaired a session of the Cabinet of Ministers to discuss a ten-year comprehensive tourism promotion strategy. The meeting was attended by the ministers of culture, tourism and local development and members of tourist chambers and

the tourist authority. The strategy involves greater government-private sector cooperation, improvements to transportation infrastructure, awareness campaigns on how to deal with tourists, diversification of tourism products, improving the tourist-related infrastructure, improving customer service and a new marketing strategy. (Egypt State Information Service, 5/11/2009)

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